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STUDENTS FINANCE BOARD ANNUAL REPORT 1989

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Alberta
STUDENTS FINANCE BOARD

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Alberta
ADVANCED EDUCATION

Office of the Minister

227 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2291 Fax 403/427-2610

March, 1990

The Honourable Dr. David J. Carter
Speaker of the Legislative Assembly of Alberta

Dear Mr. Speaker:

It is my privilege to transmit the Annual Report of the Students Finance Board for the period of April 1, 1988 to March 31, 1989.

Respectfully submitted,

John Gogo

John Gogo
Minister of Advanced Education

1990 International Literacy Year

STUDENTS FINANCE BOARD
ANNUAL REPORT
1989

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REPORT OF THE STUDENTS FINANCE BOARD

We have the honour to submit the Annual Report for the year ending March 31, 1989.

The Students Finance Board, which is comprised of nine public members and two student representatives, is appointed by the Minister of Advanced Education. The Board is charged with the responsibility of administering Alberta's student aid programs, including the Alberta Heritage Scholarship Fund, and acts in an advisory capacity to the Minister on matters relating to student financial assistance.

During 1988-89, 54,801 students received assistance amounting to $221,621,235 under the need-based programs administered by the Board. In the previous reporting period, 57,305 students received assistance amounting to $237,250,018.

During 1988-89 under the Alberta Heritage Scholarship program 7,136 scholarship recipients received awards totalling $9,844,321.

On April 1, 1988, responsibility for the High School Maintenance Grant program was transferred from the Students Finance Board to the Department of Social Services to enable high school students who are children of social assistance recipients to continue to receive social allowance after their eighteenth birthday.

In 1988-89, a vehicle policy was implemented whereby, in instances where high cost vehicles are owned and vehicle ownership is not justified, the value of the vehicle which exceeds $5,000 is considered a resource when calculating eligibility for financial assistance.

With the approval of amendments to Students Finance Regulations during 1988-89, provision was made for:

- an increase in the value of Province of Alberta Graduate Scholarships from $8,100 to $9,300;

- an increase in the value of Province of Alberta Graduate Fellowships from $9,300 to $10,500, and

- changes to the manner in which financial assistance is provided to private vocational school students, in response to the establishment of a two-tier system of licensing these schools. The level of financial assistance available to private vocational school students is now determined by the class of license held by the school which the student is attending.

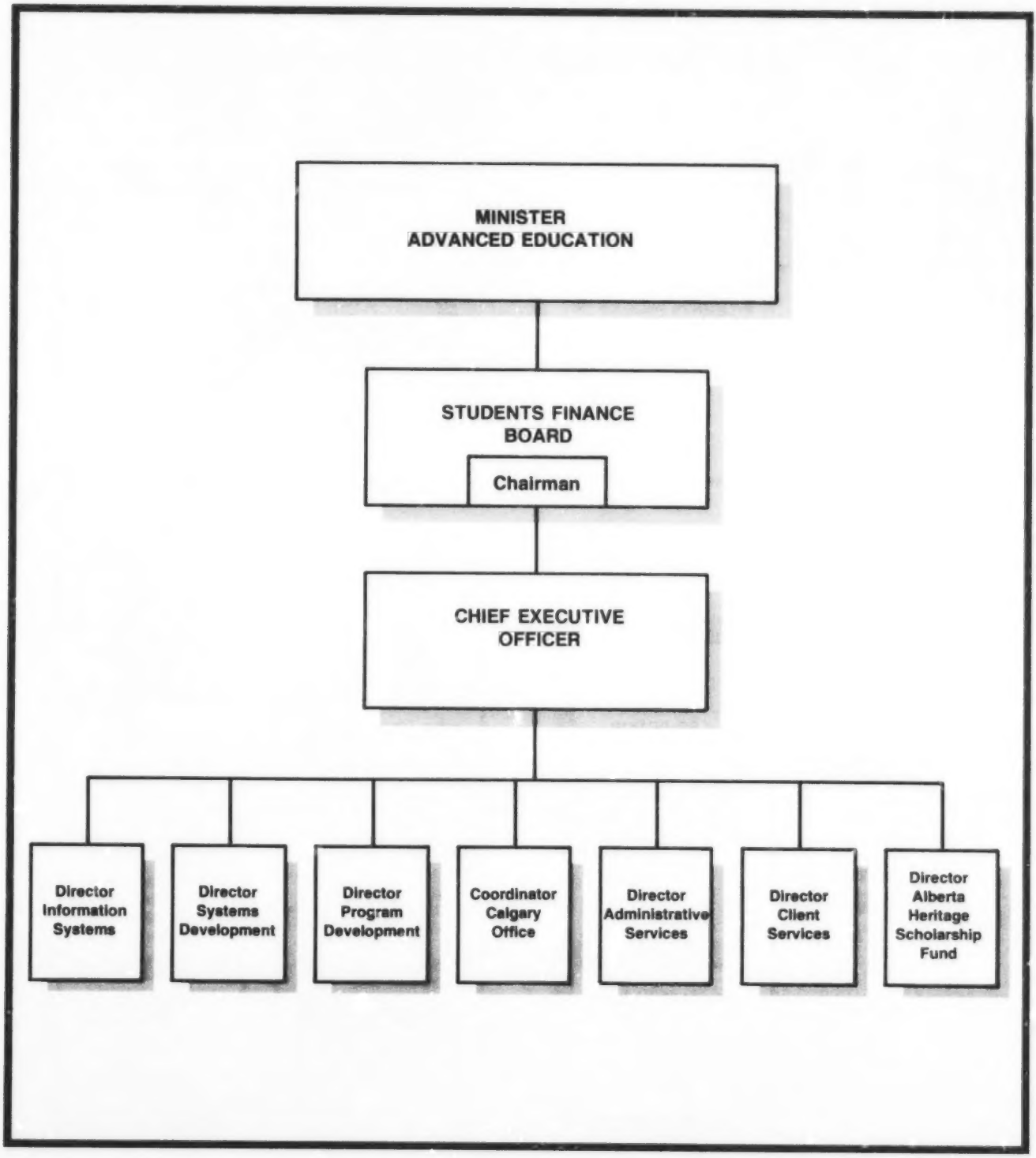
As in previous years, the Students Finance Board held meetings during 1988-89 with student representatives and student awards officers from across the province. These meetings provide the opportunity for the discussion of issues relating to the provision of financial aid to students.

The Students Finance Board would like to thank those Albertans who have served on the various committees of the Board throughout the 1988-89 year.

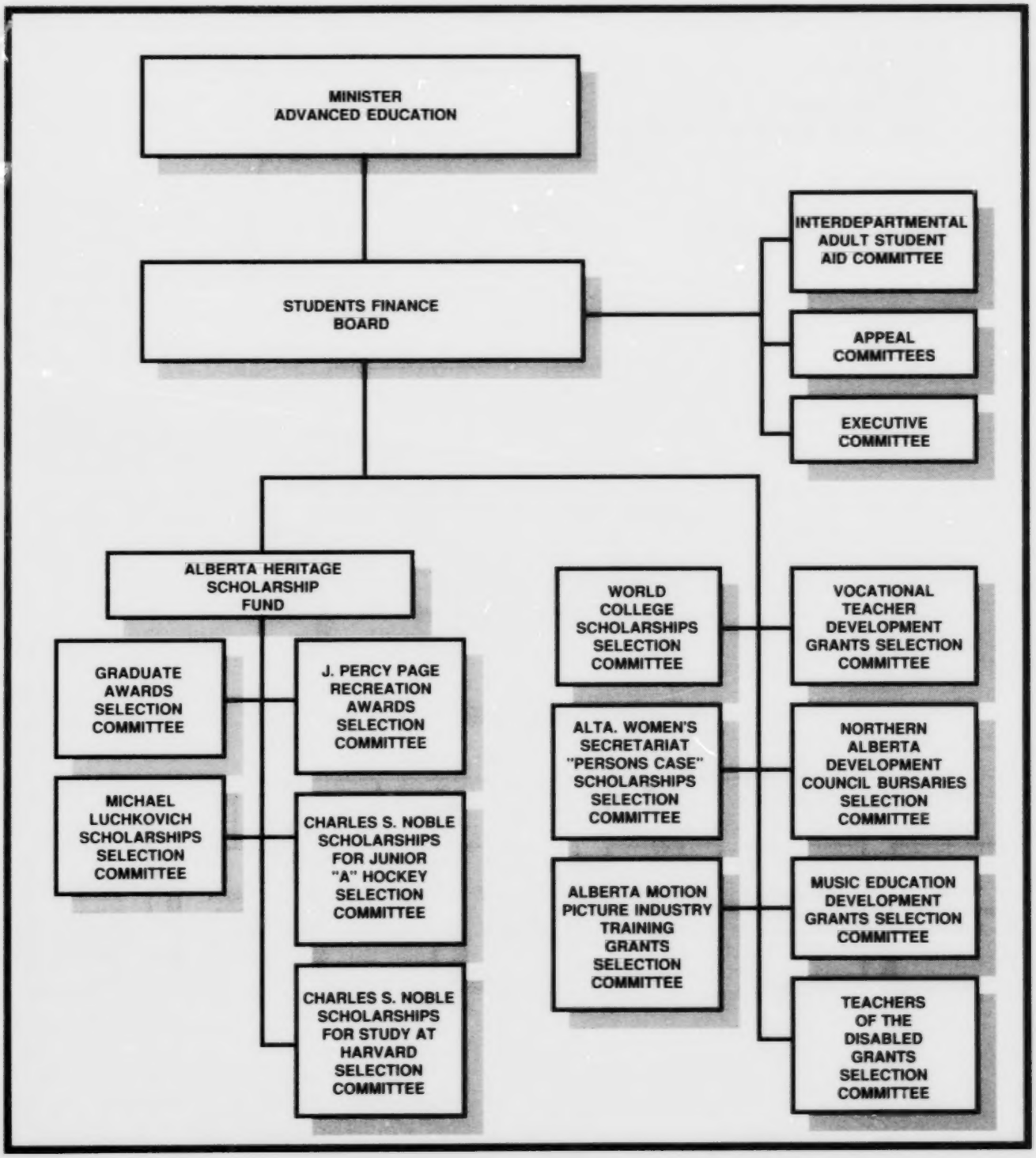
Respectfully submitted,

J. Arboleda
W. Gustafson
T. Haberman
D. Hancock
W. Hunchak
S. Langlois
J. Raven
S. Sivam
L. Steinmann
H. Torgerson
M. Tims, Chairman

STUDENTS FINANCE BOARD
Organization Chart
1 April 1989



STUDENTS FINANCE BOARD
Committees
1 April 1989


MINISTER
ADVANCED EDUCATION
STUDENTS FINANCE BOARD
INTERDEPARTMENTAL ADULT STUDENT AID COMMITTEE
APPEAL COMMITTEES
EXECUTIVE COMMITTEE
ALBERTA HERITAGE SCHOLARSHIP FUND
GRADUATE AWARDS SELECTION COMMITTEE
J. PERCY PAGE RECREATION AWARDS SELECTION COMMITTEE
MICHAEL LUCHKOVICH SCHOLARSHIPS SELECTION COMMITTEE
CHARLES S. NOBLE SCHOLARSHIPS FOR JUNIOR "A" HOCKEY SELECTION COMMITTEE
CHARLES S. NOBLE SCHOLARSHIPS FOR STUDY AT HARVARD SELECTION COMMITTEE
WORLD COLLEGE SCHOLARSHIPS SELECTION COMMITTEE
ALTA. WOMEN'S SECRETARIAT "PERSONS CASE" SCHOLARSHIPS SELECTION COMMITTEE
ALBERTA MOTION PICTURE INDUSTRY TRAINING GRANTS SELECTION COMMITTEE
VOCATIONAL TEACHER DEVELOPMENT GRANTS SELECTION COMMITTEE
NORTHERN ALBERTA DEVELOPMENT COUNCIL BURSARIES SELECTION COMMITTEE
MUSIC EDUCATION DEVELOPMENT GRANTS SELECTION COMMITTEE
TEACHERS OF THE DISABLED GRANTS SELECTION COMMITTEE

SUMMARY OF EXPENDITURES

	1988	1989
Grants and bursaries	$50,218,464	$54,707,738
Remission payments	35,019,748	35,210,126
Interest payments on guaranteed loans	8,834,585	8,628,086
Implementation of guarantees	8,106,623	8,871,168
Fellowships and scholarships	1,854,668	2,097,608
Administration expenses	4,595,909	4,700,071
Total	$108,629,997	$114,214,797

NEED-BASED PROGRAMS - HIGHLIGHTS

Principles Underlying Need-Based Programs:

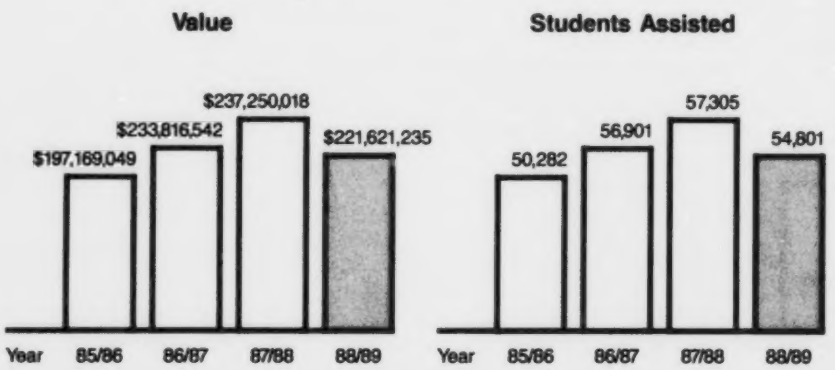
- the cost of attending post-secondary institutions is a shared responsibility among students, parents and government
- student assistance is intended to be supplemental to the resources of students and their families

Students and their spouses are expected to assist with educational costs. Parents of students who have been out of high school for less than three years are expected to contribute if able to do so.

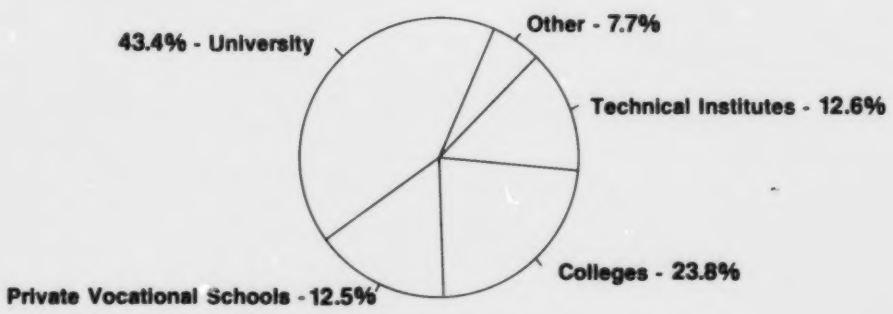
Assistance Limits

During 1988-89 Alberta students were normally eligible for assistance up to $6,800 per academic year. Undergraduates could receive loans to a maximum of $4,300 per academic year. Those who demonstrated a need for assistance beyond the $4,300 loan maximum were eligible to receive Supplemental Assistance Grant funding of up to an additional $2,500 per academic year. Graduate students, students enrolled in professional programs, i.e. medicine, law, dentistry, etc., and private vocational school students enrolled in programs of less than four semesters were eligible for loan assistance to a maximum of $6,800 per academic year.

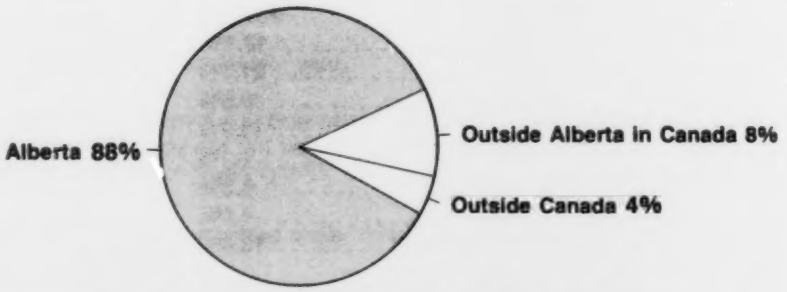
1. Summary of Total Need-Based Assistance 1986 - 1989



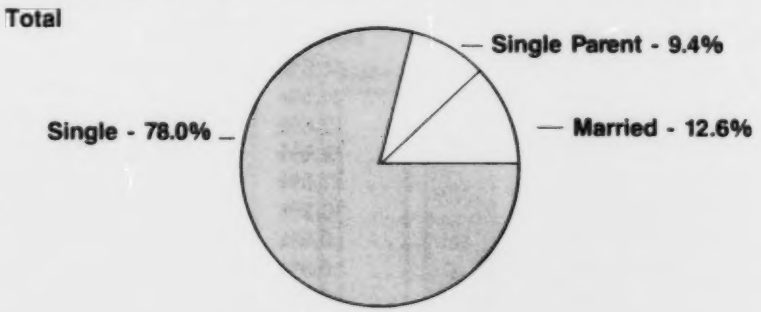
2. 1988-89 Summary of Need-Based Awards According to Institution Types



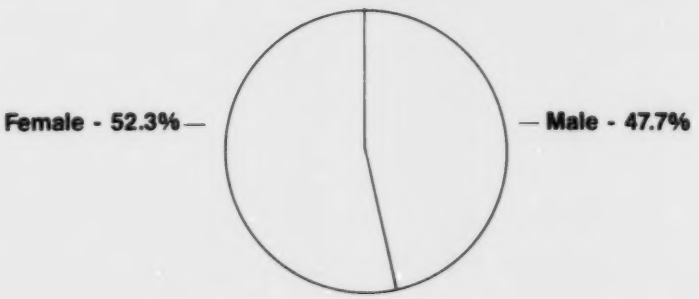
3. 1988-89 Summary of Need-Based Awards According to Institution Location



4. Summary of Students Receiving Need-Based Assistance According to Marital Status



5. Summary of Students Receiving Need-Based Assistance According to Gender



6. Summary of Students Receiving Need-Based Assistance According to Age

Years	Students	Percent
Less than 19	6,695	12.2%
20 - 21	11,504	21.0%
22 - 23	10,881	19.9%
24 - 25	7,467	13.6%
26 - 27	4,969	9.1%
28 - 29	3,411	6.2%
30 - 31	2,548	4.6%
Over 31	7,326	13.4%
TOTAL	54,801	100%

7. Parental Gross Income Ranges of 12,531 Single Dependent Students Who Received Need-Based Assistance

Parental Gross Income Ranges:	Students	Percent
less than $10,000	2,084	16.6%
10,001 - 15,000	1,440	11.5%
15,001 - 20,000	1,580	12.6%
20,001 - 25,000	1,613	12.9%
25,001 - 30,000	1,449	11.6%
30,001 - 35,000	1,281	10.2%
35,001 - 40,000	1,209	9.6%
40,001 - 45,000	849	6.8%
45,001 - 50,000	526	4.2%
Over 50,000	500	4.0%
TOTAL	12,531	100.0%

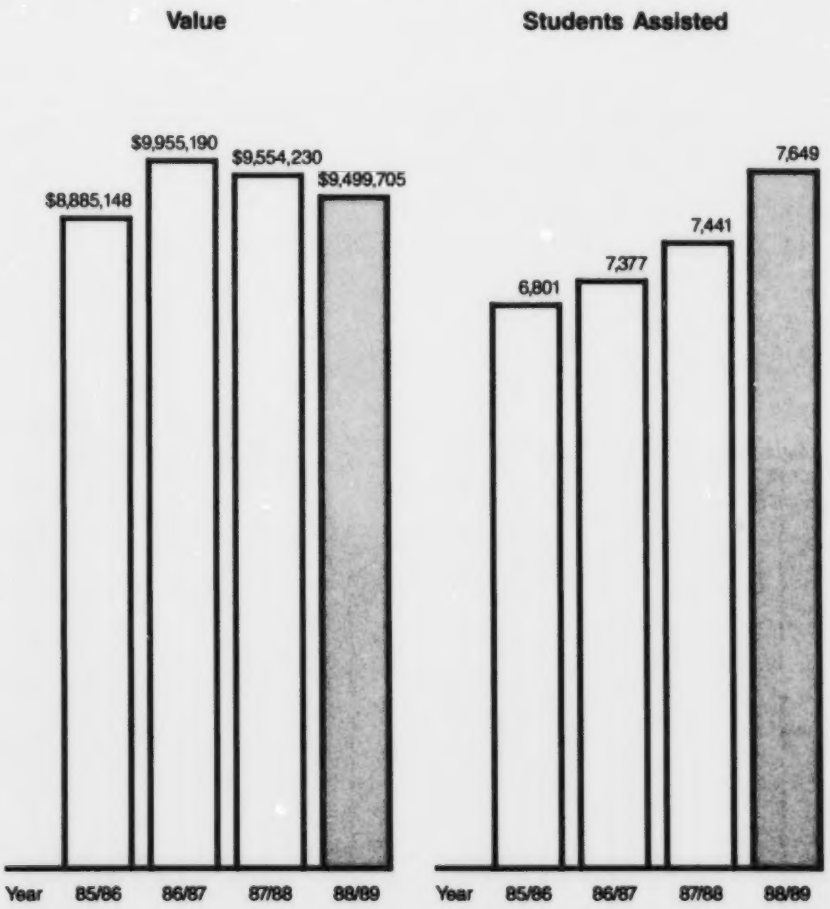
NEED-BASED AWARDS

Alberta Educational Opportunity Equalization Grant Assistance 1986 - 1989

Value: Up to $2,000 per academic year.

These grants may be provided to help offset the additional costs incurred by dependent students whose programs of study are not available within normal commuting distance of their parents' homes. To be eligible for these grants, students must demonstrate financial need.

There were 7,649 students assisted under this program in 1988-89, amounting to a total expenditure of $9,499,705.

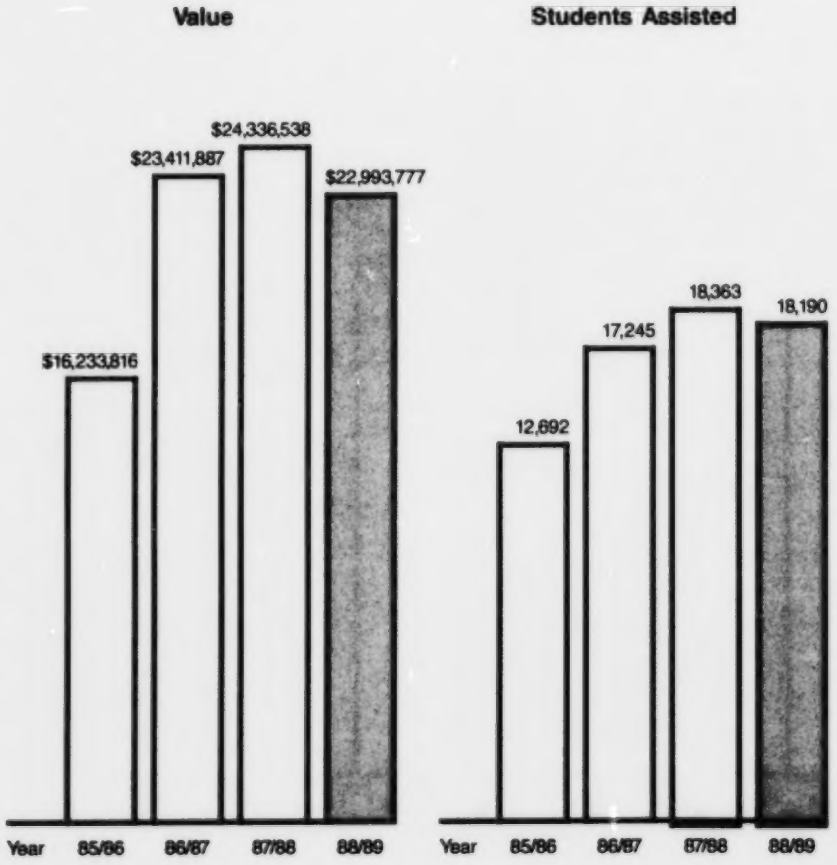


Supplemental Assistance Grant Assistance 1986 - 1989

Value: Up to $2,500 per academic year.

Supplemental assistance grants were established to aid those undergraduate students demonstrating a need for assistance which exceeds the $4,300 loan maximum per academic year. The purpose of this grant program is to control the level of indebtedness of students upon graduation.

There were 18,190 students assisted under this program in 1988-89, amounting to a total expenditure of $22,993,777.

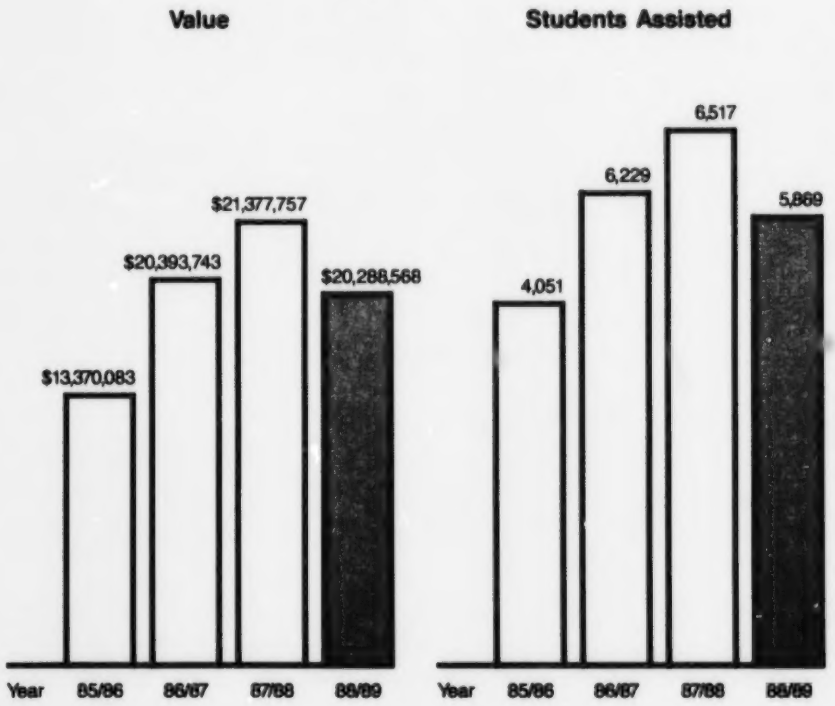


Maintenance Grant Assistance 1986 - 1989

Value: Up to $6,000 per academic year.

The maintenance grant program was established to ensure that students with special needs have the opportunity to acquire undergraduate degrees. Students considered for these grants are those who do not have normal prospects of completing their education without assistance in addition to that provided under other programs, e.g. disabled persons and single parents. To be eligible for maintenance grant assistance, a student must be receiving a minimum loan of $1,000 under the Guaranteed Loans program.

There were 5,869 students assisted under this program in 1988-89, amounting to a total expenditure of $20,288,568.

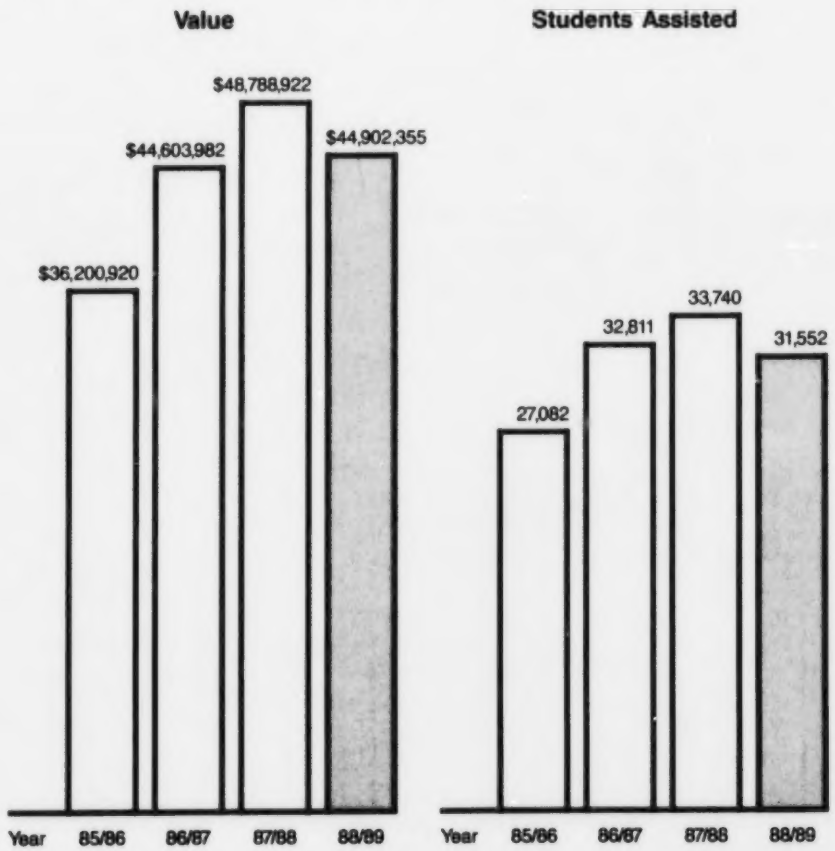


Provincial Guaranteed Student Loan Assistance
1986 - 1989

This program was implemented by the Province in 1969 to supplement the assistance available to Alberta students under the Canada Student Loans program.

The interest on these loans is paid by the Province while the individual is attending a post-secondary institution, and for six months after he or she ceases to be a full-time student. At that time, the individual assumes responsibilty for principal and interest payments.

There were 31,552 students assisted under this program in 1988-89, amounting to a total expenditure of $44,902,355.

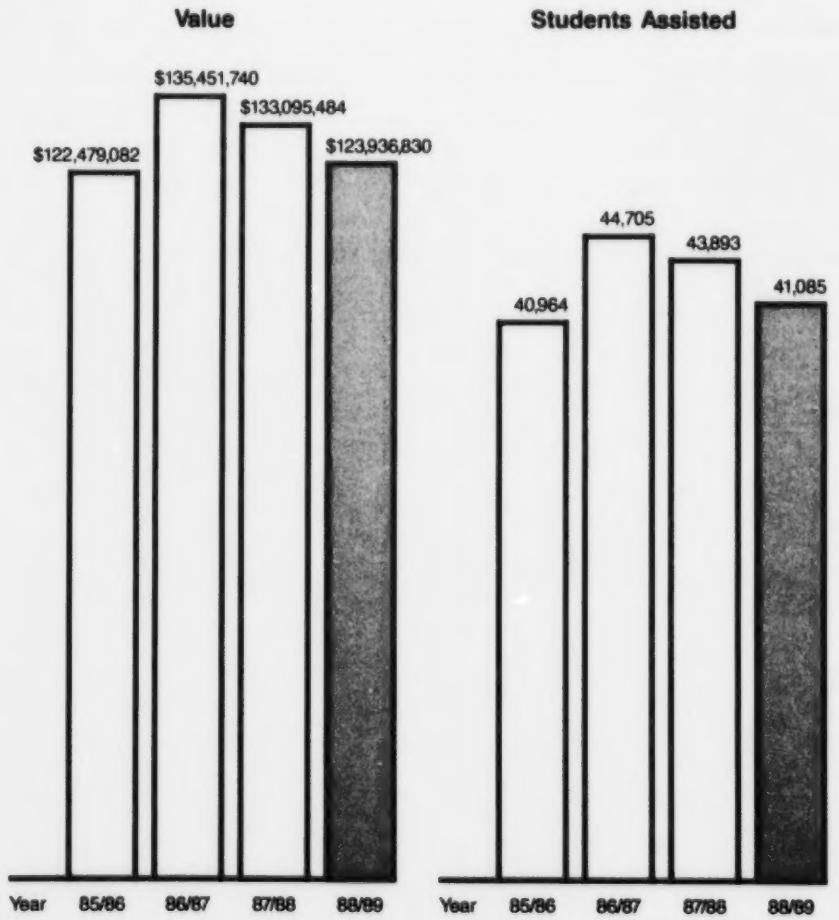


Canada Student Loan Assistance 1986 - 1989

The Canada Student Loans program was established in 1964. The Students Finance Board is the designated authority for the administration of these loans in Alberta.

The interest on these loans is paid by the federal government while the individual is attending a post-secondary institution, and for six months after he or she ceases to be a full-time student. At that time, the individual assumes responsibility for principal and interest payments.

In 1988-89, a total of 41,085 students were issued Canada Student Loans amounting to $123,936,830.



REMISSION PROGRAM

The remission program was implemented by the Province in 1971. Remission is that portion of a student's loan which may be repaid by the Province of Alberta on the student's behalf when he or she has ceased to be a full-time student.

Students qualify for remission if the following conditions have been met to the satisfaction of the Students Finance Board:

- savings were adequate in relation to earnings;

- a reasonable contribution has been made by parents, spouse or sponsor;

- full-time enrollment was maintained during the period for which assistance was provided;

- the initial arrangements for repayment of student loans have been made, i.e. loans have been consolidated.

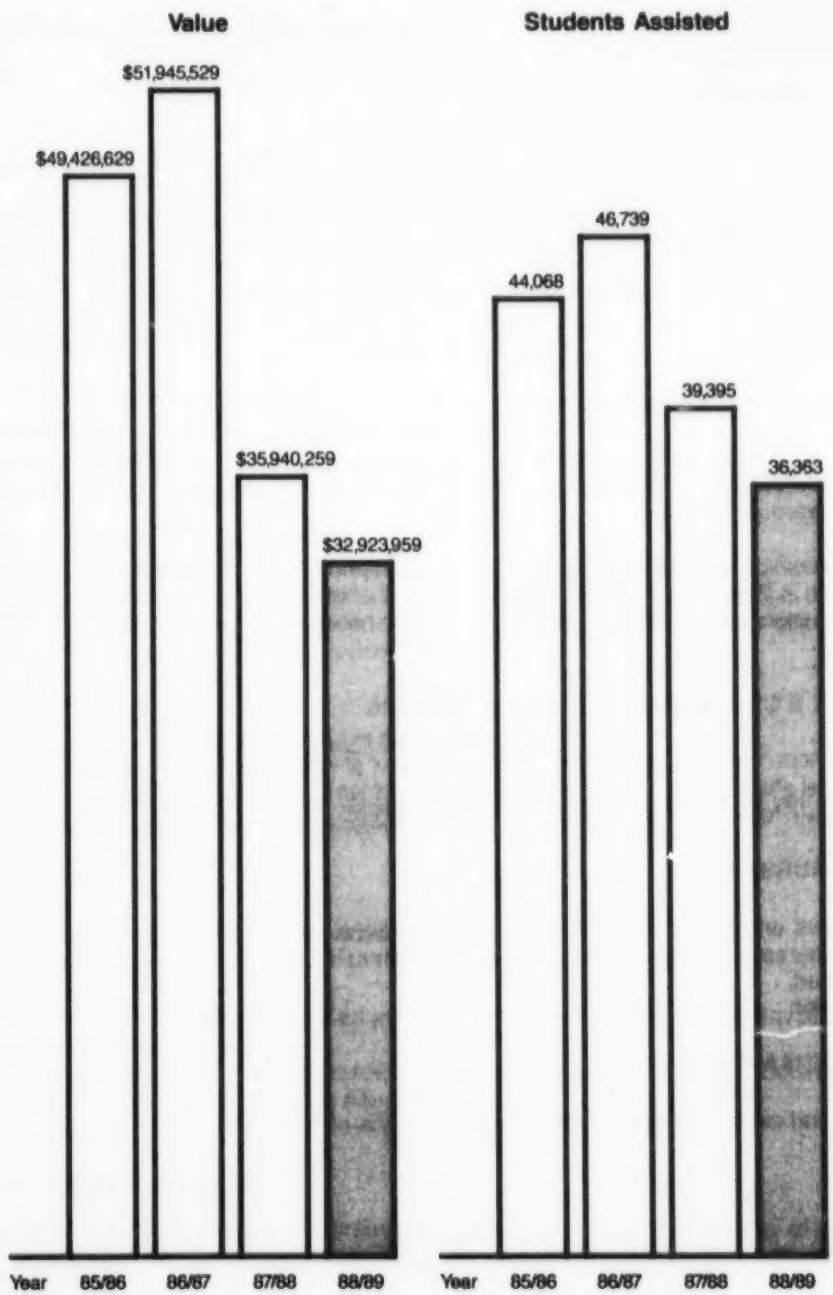
As of May, 1987, an exemption equal to $1,000 times the number of years in a student's program is applied in the awarding of remission. Remission is then calculated at 40% of loans in excess of the exemption amount.

Applications for loan remission are available at credit institutions in Alberta, and are submitted to the Students Finance Board after consolidation of student loans.

Remission payments are sent directly to the lending institution and applied to the student's outstanding loan obligations. In this manner, during 1988-89, 17,369 students received remission benefits which amounted to $35,210,126.

In 1988-89, 36,363 students were awarded remission amounting to $32,923,959 which will be issued upon graduation.

Summary of Remission Awarded 1986 - 1989



SCHOLARSHIPS, FELLOWSHIPS, BURSARIES, GRANTS, AND PRIZES

PROVINCE OF ALBERTA SCHOLARSHIPS

Awarded to undergraduate students who have achieved an average of not less than 80 per cent.
Value: $150

PROVINCE OF ALBERTA PRIZES

Awarded to students registered in diploma or certificate programs at public colleges or institutes of technology.
Value: $150

GRADUATE SCHOLARSHIPS AND FELLOWSHIPS

Awarded to Canadian citizens or permanent residents who are registered as full-time students in graduate studies at the University of Alberta, The University of Calgary or The University of Lethbridge.
Value: Scholarships: $9,300 Fellowships: $10,500

UNITED WORLD COLLEGE SCHOLARSHIPS

Awarded to selected Alberta students who have completed grade 11. These scholarships provide two years of study at United World Colleges located in Canada, Wales, the U.S.A., Singapore, Swaziland and Italy. Eight new scholarships are awarded each year.

Two of these scholarships were established in 1983 to commemorate the visit to Alberta of His Royal Highness Prince Charles, who is President of the International Council of the United World Colleges.
Value: The cost of tuition, room and board, and one round trip between the student's home and the United World College per year.

POPE JOHN PAUL II COMMEMORATIVE SCHOLARSHIPS

Awarded to a maximum of two undergraduate students and four graduate students to facilitate the pursuit of native studies, international studies with respect to third world countries, or ecumenical studies.
Value: Undergraduate level: $5,000 Masters level: $10,000

BANFF CENTRE BURSARIES

Awarded to students enrolled in visual and performing arts programs at The Banff Centre for Continuing Education. These bursaries are awarded on the basis of financial need and past achievement in the subject matter being studied.
Value: Cost of tuition.

HIGH SCHOOL BURSARIES

Awarded to junior and senior high school students on the basis of need.
Value: Up to $300

EDUCATION OF SERVICEMEN'S CHILDREN BURSARIES

Awarded to the children of disabled war veterans in order to assist them in meeting their educational costs in grades 9 to 12 inclusive.
Value: Up to $300

PART-TIME BURSARIES

Awarded to students on the basis of need in order to cover the cost of tuition, books and materials, transportation and child care costs.
Value: $300 per academic term

GRANTS FOR DISABLED PERSONS

Grants are provided to students who are physically or mentally disabled and who, in the opinion of the Board, require extraordinary assistance not available through other programs.
Value: Up to $1,000 per semester

GOVERNMENT OF ALBERTA SCHOLARSHIPS

Special purpose scholarships awarded by the Students Finance Board.
Value: Maximum of $8,000 per year plus tuition, books and transportation costs. A $1,000 research allowance may be issued once during the course of the student's program.

QUEEN ELIZABETH SCHOLARSHIPS IN CANADIAN STUDIES

Awarded to students in the final year of an undergraduate degree program which focuses primarily or uniquely on aspects of Canadian culture or problems significant to Canada.
Value: $1,000

ALBERTA MOTION PICTURE INDUSTRY TRAINING GRANTS

Awarded to
a) individuals already established within the motion picture industry who wish to further develop their skills by attending short courses or seminars, and
b) individuals who have achieved advanced status within the industry who wish to pursue further formal training.
Value: a) Up to $5,000 b) Up to $13,000

LANGUAGE DEVELOPMENT GRANTS

Awarded to individuals who are enrolled in programs designed to enhance the teaching of any language other than English and French in Alberta. Recipients are recommended by the Minister of Education or his delegate.
Value: Up to $2,000 in any one year

RETURN-SERVICE PROGRAMS

VOCATIONAL TEACHER DEVELOPMENT GRANTS

A return-service program provided to students in the vocational teacher certification program who intend to be employed by a school board in Alberta upon graduation.
Value: Up to $22,000

NORTHERN ALBERTA DEVELOPMENT COUNCIL BURSARIES

A return-service program provided, primarily, to students raised in northern Alberta who will be employed in northern Alberta on completion of their studies.
Value: Up to $3,500 per academic year, if single
Up to $6,000 per academic year, if married

In circumstances where either the field of study or the remote location makes recruitment difficult, special incentive bursaries may be provided under this program.
Value: Up to $7,000 per academic year, if single
Up to $12,000 per academic year, if married

Under this program, bursaries with no associated return-service obligation may be awarded to students enrolled in short-term courses in northern Alberta.
Value: Up to $1,500 per academic year

TEACHERS OF THE DISABLED GRANTS

A return-service program provided to students enrolled in full-time graduate programs in areas related to the teaching of disabled persons.
Value: Up to $10,000

MUSIC EDUCATION DEVELOPMENT GRANTS

A return-service program provided to students who are enrolled in a program of study related to music education who intend to be employed by a school board in Alberta upon graduation.
Value: Up to $20,000

SUMMARY OF TOTAL AWARDS

	1986/87	1987/88	1988/89
Alberta Educational Opportunity Equalization Grant	$ 9,955,190	$ 9,554,230	$ 9,499,705
Supplemental Assistance Grants	23,411,887	24,336,538	22,993,777
Maintenance Grants	20,393,743	21,377,757	20,288,568
Guaranteed Provincial Loans	44,603,982	48,788,922	44,902,355
Canada Student Loans	135,451,740	133,095,484	123,936,830
Remission Awards	51,945,529	35,940,259	32,923,959
Province of Alberta Scholarships	189,900	183,600	206,400
Province of Alberta Prizes	187,800	186,300	176,550
Graduate Scholarships and Fellowships	1,036,900	1,101,500	1,174,800
United World College Scholarships	229,968	231,536	230,477
Pope John Paul II Comm. Scholarships	50,000	35,000	52,500
Banff Centre Bursaries	24,385	23,275	28,152
High School Bursaries	199,700	232,370	240,685
Education of Servicemen's Children Bursaries	1,250	750	750
Part-Time Bursaries	1,186,509	932,033	855,963
Grants for Disabled Persons	88,760	97,087	93,944
Government of Alberta Scholarships	149,262	107,782	237,882
High School Maintenance Grants	2,597,670	2,571,311	—
Queen Elizabeth Scholarships in Canadian Studies	16,000	13,000	19,000
Alberta Motion Picture Industry Training Grants	17,216	3,910	12,978
Music Education Development Grants	66,660	60,000	53,000
Language Development Grants	7,448	5,000	4,742
Vocational Teacher Development Grants	77,000	41,800	11,000
Northern Development Council Bursaries	609,750	565,153	597,475
Teachers of the Disabled Grants	4,000	10,000	27,000
TOTAL	$ 292,502,249	$ 279,494,597	$ 258,568,492

Further details regarding the information contained in this report may be obtained by contacting:

Jean Sprague
Director of Program Development
Students Finance Board
427-7106

APPENDIX 1
GUARANTEED PROVINCIAL LOANS

SUMMARY OF ACTIVITY	1986/87	1987/88	1988/89
O/S Loans - Students in School	$77,535,934	$86,694,522	$86,387,397
- Graduates	27,763,511	29,921,304	34,958,162
	$105,299,445	$116,615,826	$121,345,559
Loans Issued	$44,603,982	$48,788,922	$44,902,355
Interest Paid to Banks	$7,913,098	$8,834,585	$8,628,086
Bank Claims Paid	$6,505,377	$8,106,623	$8,871,168

APPENDIX 2
APPEAL ACTIVITY

A student may request a review of the amount of assistance awarded by the Board by forwarding a completed "Request for Appeal" form to the Students Finance Board. Subsequently, a counsellor will review the situation and may adjust the award within prescribed limits.

Appeals not resolved by this process are submitted, upon the student's request, to the Appeal Committees which meet in Edmonton and Calgary. Appointed by the Minister of Advanced Education, these Committees are comprised of members of the public and student representatives.

During 1988-89 a total of 60,134 students applied for assistance. 54,801 students received support. Of the total number who applied, 13,287 students, i.e. 22%, requested a review of their award due to changes in circumstances or because they were requesting funding for costs not normally recognized by the Board.

A total of $17.9 million in loans and grants was issued on appeal in 1988-89. $12.6 million of this amount was issued due to students' circumstances changing after their applications had been submitted, resulting in increased eligibility under the Board's normal guidelines for support. $5.3 million was provided to cover expenses which fell outside normal guidelines for support, but funds were necessary to provide accessibility.

APPENDIX 3

STUDENTS FINANCE BOARD

FINANCIAL STATEMENT

MARCH 31, 1989

Auditor's Report

Balance Sheet

Notes to the Financial Statement

OFFICE OF THE AUDITOR GENERAL

ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Members of the
Students Finance Board

I have examined the balance sheet of the Students Finance Board as at March 31, 1989. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, this financial statement presents fairly the financial position of the Board as at March 31, 1989 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Donald D. Salmon

FCA
Auditor General

Edmonton, Alberta
August 10, 1989

STUDENTS FINANCE BOARD

BALANCE SHEET

AS AT MARCH 31, 1989

	1989	1988
ASSETS		
Cash (Note 2)	$400	$400
LIABILITIES		
Due to the General Revenue Fund	$400	$400

The accompanying notes are part of this financial statement.

STUDENTS FINANCE BOARD

NOTES TO THE FINANCIAL STATEMENT

MARCH 31, 1989

Note 1 Authority

The Board operates under the authority of the Students Finance Act, Chapter S-24, Revised Statutes of Alberta 1980, and carries out the following activities on behalf of the Province of Alberta:

(i) Issue of certificates of eligibility for loans to be guaranteed pursuant to the Students Loan Guarantee Act and the Canada Student Loans Act. Fees are earned for administering Canada Student Loans Act certificates and are credited to the General Revenue Fund as revenue of the Department of Advanced Education.

(ii) Authorization of the following types of expenditures, paid by the Department of Advanced Education from funds appropriated by the Legislature:

(a) Grants, bursaries, fellowships and scholarships;
(b) Partial loan repayments on behalf of students;
(c) Interest on student loans guaranteed pursuant to the Students Loan Guarantee Act;
(d) Implementation of guarantees pursuant to the Students Loan Guarantee Act; and
(e) Administration expenses in connection with all of the activities of the Board other than the costs of accommodation and basic office equipment forming part of the general administration costs of the Department of Advanced Education.

(iii) Authorization of scholarships paid from the Alberta Heritage Scholarship Fund.

Note 2 Cash

Cash consists of accountable advances from the General Revenue Fund.

Note 3 Approval of Financial Statement

This financial statement was approved by management.